

## Chapter 4

# LOCATING SERVICE PROVIDERS

Locating sufficient numbers of potential service providers to ensure competition is both rewarding and essential to success.

## 4.1 SOURCES

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You should first consider whether there are alternative providers available and, if so, whether you are required to use an alternative provider. For example, does another state agency provide the services you are seeking? Are you required by law or executive order to use the services of another state agency or service provider? Could you utilize the services of a targeted small business?

Service providers may be located using many sources

- • *Responses to notice of procurement posted on the State's or the Agency's website*
- • *Responses to a published legal notice*
- • *Internet, e.g., Department of Administrative Services website:*  
<http://das.iowa.gov>
- • *Agency service provider listings*
- • *Trade journals and periodicals*
- • *TSB websites: <http://asp.iowasmartidea.com/tsb/tsbsearch.asp> and <http://www.iowai.net/iowa/dia/tsb/>*
- • *Professional societies and associations*
- • *Telephone book*

## 4.2 ADVERTISING AND NOTICE

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A new law passed during the 2002 legislative session requires executive branch agencies, the general assembly, and the judicial branch to advertise any request for bids and proposals on the official state Internet site operated by the Information

Technology Department. An electronic link to the agency's website is acceptable if the agency's website contains the request for bids or proposals. See HF 2536.

In addition, agencies may wish to publish a notice of the procurement in a newspaper or other publication. Publishing informs the public that you are purchasing something and maintains the integrity of the competitive process. You may put advertisements about a procurement in regular newspaper, but you may also want to place it in the media appropriate to the type of procurement, such as trade journals. The timing of the publication of the notice, the number of newspapers (if any) and duration of the advertisement will depend on the cost and complexity of the procurement, time frame of the project, and availability of qualified service providers. As a rule of thumb, agencies are generally more likely to advertise notices in a newspaper when procurements involve higher costs, are highly complex, or have large numbers of potential service providers. If you are using federal money to help pay for the services, there may also be federal requirements addressing advertising. Absent any specific requirement for newspaper advertising that is applicable to your procurement, whether to advertise in a newspaper varies depending on each individual procurement. Some very high cost and highly complex procurements may not warrant advertising notice if you *know* who all of the potential service providers are and can send each potential provider notice of the Request for Proposal (RFP) directly. The bottom line is to figure out how to get the word about the procurement out to as many potential service providers as possible so that you will have a good field of proposals from which to choose. If advertising in newspapers will not further that goal and there are no applicable legal requirements for advertising, you may not want to spend the money on an advertisement. The notice should include a brief description of the procurement, the date on which the solicitation information will be available, how to obtain the information and the contact person's name and number. A Sample Notice to Bidders is found at Appendix M.

### **4.3 NUMBER OF SERVICE PROVIDERS TO SOLICIT**

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Proposals should be solicited from a reasonable number of service providers. A "reasonable" number is a judgment call determined by the characteristics of the procurement, i.e. complexity, cost, number of available qualified service providers. Enough service providers should be solicited to assure fair and open competition and increase the likelihood of receiving a number of responsive proposals. Often less than half of the firms that receive a solicitation document actually respond, so it is advisable to distribute solicitations broadly.

If you are permitted to use an informal competitive process under **11 IAC chapter 106**, you should contact at least three firms. If you cannot locate at least three providers, you must document the steps you took to identify at least three providers and maintain the documentation in the contract file. See Chapter 5 – Purchasing Methods – for more information on informal competitive processes.

### **4.4 TARGETED SMALL BUSINESS (TSB)**

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The "Iowa Targeted Small Business Act" is codified at Iowa Code sections 73.15 through 73.21. You should familiarize yourself with the provisions of this Act, but some of the highlights of the Act are discussed here. Iowa Code subsection 73.16(1) says "Every agency, department, commission, board, committee, officer or other governing body of the state shall purchase goods and services supplied by small business and targeted small businesses in Iowa. In addition to the other provisions of this section relating to procurement contracts for targeted small businesses, all purchasing authorities shall assure that a proportionate share of small businesses and targeted small businesses identified under the uniform small business vendor application program of the department of economic development are given the opportunity to bid on all solicitations issued by agencies and departments of state government." The statute also directs agency directors to establish a procurement *goal* of procuring at least ten percent of goods and services from certified TSB's. See Iowa Code section 73.16(2).

In order to assure that targeted small businesses are given an opportunity to participate in your solicitations, you can utilize the following processes:

- You can find targeted small businesses to send solicitations to by searching an on-line database of all Targeted Small Businesses certified to operate in the State of Iowa. The database directory can be found on the Department of Inspection and Appeals website address: [www.iowai.net/iowa/dia/tsb/](http://www.iowai.net/iowa/dia/tsb/). You can search the conducting a keyword search or by browsing the entire directory by its 158 categories. Iowa Code section 73.18 directs agencies to consult this directory “prior to or upon release of the solicitation.”
- Iowa Code section 73.16(2) also requires agencies to issue electronic bid notices for distribution to the targeted small business web page at least 48 hours before issuing the bid notice. This requirement requires you to post all your solicitations on the State of Iowa Targeted Small Business – 48 Hour Procurement Notice System website. The website address is: <http://asp.iowasmartidea.com/tsb/tsb.htm>
- This website is password protected and the password changes every month. The password can be obtained by contacting Department of Administrative Services, General Services Enterprise - Purchasing at 515-281-6355. The agency must post the following information on the website at least 48 hours prior to the release of your solicitations: procurement reference number, description of the procurement opportunity, ending date to accept bids, agency with the procurement opportunity, county where the procurement opportunity will be available, contact for the procurement, phone number of contact, e-mail address of contact, and URL of web page that procurement can be found. You should note that it is not helpful to post notice of your solicitation to the TSB website at 4:30 on a Friday. In that situation, TSB’s do not have a reasonable opportunity to see and respond to the notice.